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September 12, 2003

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Vistronix, Inc.
236 Massachusetts Avenue, N.E., Suite 110
Washington, D.C. 20002

Re: CC Docket No. 96-45

Dear Ms. Dortch:

On September 11, 2003, Joel Shifman, Senior Advisor to the Maine Public Utilities Commission (Maine PUC), Peter Bluhm, Director of Regulatory Policy of the Vermont Public Service Board (Vermont PSB), and I had a teleconference with Christopher Libertelli, Senior Legal Advisor to Chairman Powell, on issues related to universal service support for Vermont and Maine customers.

In particular, Vermont and Maine complimented the Wireline Competition Bureau on its efforts to improve the model, document versions of changes, and move to a systematic change management system where all changes would be documented and published in releases. However, Vermont and Maine expressed concerns that the information that they had requested to identify all changes to the model structure and inputs made since the Staff began "updating" the model still had not been provided. Vermont and Maine stressed the importance of identifying each change made to the model so that they could evaluate the appropriateness of the change and determine the impact of the change on their customers' support levels. Without this information, they would not be able to assess whether the FCC's method for determining support was reasonable.

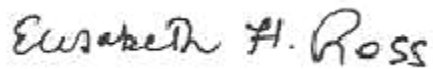
The FCC's recent request for comment on whether it should eliminate special access lines as inputs illustrated the problem. Vermont and Maine asked the Bureau to provide information that it had generated showing the impact of removing special access lines. The Bureau refused to provide this information. It was impossible for Maine and Vermont to calculate the impact themselves for several reasons. Outside parties do not have a model version that includes all the changes and "corrections" that the FCC staff has made. Also, parties have to run results for the whole country to determine a revised nationwide average before they can

identify the impact on any one state. Running the model in this way takes several days and requires several banks of computers. When the Bureau refused to provide the information, Vermont and Maine asked several larger carriers for their results. While other carriers had the resources to run the model with the changed inputs, their results varied from carrier to carrier. In fact, the carriers' data runs inexplicably had produced widely different results, illustrating the instability of the model. Therefore, Vermont and Maine were unable to determine the impact and could not file comments. Unless the Bureau develops a model release that produces consistent and reliable results when run by all parties, it is impossible for parties to determine with any certainty what the results will be.

Vermont and Maine expressed continuing interest in working with the Bureau to make the USF support/model process more open and simpler. This would include advance notice and an opportunity for third parties to verify effects of changes before they were formally adopted. Overall, Vermont and Maine said they are interested in achieving: 1) a theoretically sound method of delivering support that is predictable and stable; 2) an open process that allows changes to the model and inputs to be objectively evaluated based on common assumptions; and 3) sufficient support so that rates charged in Vermont and Maine are reasonably comparable to rates charged in urban areas of the country. Vermont and Maine continued to express concern that their support has changed due to undocumented/unreasonable changes in the model, even though their costs have not changed materially.

Pursuant to Section 1.1206 of the Commission's rules, this letter is being electronically filed with your office. If you have any questions concerning this submission, please contact the undersigned.

Sincerely,

A handwritten signature in dark ink that reads "Elisabeth H. Ross". The signature is written in a cursive, slightly slanted style.

Elisabeth H. Ross
Attorney for the Vermont Public Service Board